

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1958 - SB 2302

March 18, 2016

SUMMARY OF BILL: Requires each state employee to receive an annual cost of living salary increase of two and one-half percent (2.5%) beginning in the next pay period following the employee's state employment anniversary date subject to annual appropriation.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$42,054,200/FY16-17

\$43,105,600/FY17-18

\$44,183,200/FY18-19

\$45,287,800/FY19-20

\$46,420,000/FY20-21

Exceeds \$46,420,000/FY21-22 and Subsequent Years

Assumptions:

- According to the Department of Human Resources, an annual two and one-half percent increase applied to all state employees in the executive, legislative, and judicial branch as of FY16-17 will result in an increase in state expenditures of: \$42,054,220 in FY16-17; \$43,105,576 in FY17-18; \$44,183,215 in FY18-19; \$45,287,795 in FY19-20; \$46,419,990 in FY20-21; and an amount estimated to exceed \$46,419,900 in FY21-22 and subsequent years. The Fiscal Review Committee staff does not have access to the data and salary information upon which these calculations are based and cannot independently verify their accuracy.
- These estimates assume that the total number of full-time equivalent state employees remains constant and that the proposed salary increase is the only change to state employee salaries.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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